98TH CONGRESS
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HOUSE OF REPRESENTATIVES
REPORT
98-785

INCREASE OF PUBLIC DEBT LIMIT

MAY 16, 1984.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ROSTENKOWSKI, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H.R. 5665]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 5665) to increase the temporary public debt limit, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

I. SUMMARY

H.R. 5665 provides for an increase of $30 billion in the public debt limit from $1,490.0 billion to $1,520 billion. The increase will go into effect on enactment and remain in effect through June 15, 1984.

The debt limit level in this bill is the amount estimated by the Secretary of the Treasury as sufficient to meet borrowing needs through June 15, 1984.

The committee approved a $50 billion increase, to $200 billion, in Treasury Department authority to issue bonds at interest rates above 4¼ percent.

The committee also approved several provisions that authorize the appropriation of funds to the Treasury Department for the performance of certain administrative and representation functions at home and abroad and entering into reciprocal agreements with State and local government law enforcement agencies.

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TABLE 1.—STATUTORY DEBT LIMITATION, FISCAL YEARS 1947 TO DATE, AND PROPOSED PERMANENT LIMIT

[In billions of dollars]

Fiscal year	Permanent	Statutory debt limitation	
		Temporary additional	Total
1947–1958 through Feb. 25	275	.....	275
1958: Feb. 26 through June 30	275	5	280
1959 through Sept. 1	275	5	280
1959: Sept. 2 through June 29	283	5	288
1959: June 30	288	5	290
1960	285	10	295
1961	285	8	293
1962 through Mar. 12	285	13	298
1962: Mar. 13 through June 30	285	15	300
1963 through Mar. 31	285	23	308
1963: Apr. 1 through May 28	285	20	305
1963: May 29 through June 30	285	22	307
1964 through Nov. 30	285	24	309
1964: Dec. 1 through June 28	285	30	315
1964: June 29 and 30	285	30	342
1965	285	39	324
1966	285	43	328
1967 through Mar. 1	285	45	330
1967: Mar. 2 through June 30	285	51	336
1968 [1]	358	.....	358
1969 through Apr. 6 [1]	358	7	365
1969 after Apr. 6 [1]	358	.....	358
1970 through June 30 [1]	365	12	377
1971 through June 30 [1]	380	15	395
1972 through June 30 [1]	400	50	450
1973 through Oct. 31 [1]	400	50	450
1973 through June 30 [1]	400	65	465
1974 through Nov. 30 [1]	400	65	465
1974: Dec. 3 through June 30 [1]	400	75.7	475.7
1975 through Feb. 18 [1]	400	95	495
1975: Feb. 19 through June 30 [1]	400	131	531
1976 through Nov. 15 [1]	400	177	577
1976 through Mar. 15 [1]	400	195	595
1976 through June 30 [1]	400	227	627
TQ: from enactment through Sept. 30, 1971 [1]	400	236	636
1977: from Oct. 1, 1976 through Mar. 31, 1977 [1]	400	282	682
1977: from Apr. 1 through Sept. 30, 1977 [1]	400	300	700
1978: from Oct. 1, 1977, through July 31, 1978 [1]	400	352	752
1978: from Aug. 3, 1978, through Mar. 31, 1979 [1]	400	398	798
1979: from Apr. 2 through Sept. 30, 1979 [1]	400	430	830
1980 through June 30, 1980 [1]	400	479	879
1981 through Feb. 28, 1981 [1]	400	525	925
1981 through Sept. 30, 1981 [1]	400	535.1	935.1
1981 through Sept. 30, 1981 [1]	400	585	985
1982 through Sept. 30, 1982 [1]	400	679.8	1,079.8
1982 through Sept. 30, 1982 [1]	400	743.1	1,143.1
1983 through Sept. 30, 1983 [1]	400	890.2	1,290.2
1983 [1]	1,389	.....	1,389
1984 [1]	1,490	.....	1,490,
Proposed: June 15, 1984 [1]	1,520	.....	1,520

[1] Includes FNMA participation certificates issued in fiscal year 1968.

II. EXPLANATION OF PROVISIONS

A. Increase in the Limit on the Public Debt

Present Law

The present permanent limit on the public debt is $1,490 billion, which was enacted on November 21, 1983 (P.L. 98–161). A permanent debt limit has no expiration date.

Reasons for Change

Current debt situation

The outstanding public debt at the close of business on May 1, 1984, was $25 million below the $1,490 billion current statutory limit on the public debt, and the operating cash balance was $38.7 billion, which is $13.7 billion above the preferred $25 billion operating cash balance and allowance for contingencies. The Undersecretary for Monetary Affairs of the Treasury Department announced on May 2, 1984, that the larger than normal cash balance and the expected receipts and outlays patterns would enable the Treasury Department to perform its normal financial activities through about May 24, 1984 with the present debt limit. About that date, it is anticipated that the Treasury Department would not be able to meet Federal Government obligations as they become due, unless the statutory debt limit is increased before then. In view of the debt outstanding on May 1, the critical date will occur when the operating cash balance is exhausted. On May 11, the outstanding debt was $1,481.3 billion, and the cash balance had been reduced to $16.5 billion.

As part of its usual mid-quarter financing, the Treasury Department sold $16.5 billion in notes and bonds. As part of the financing plan, about $9.32 billion in maturing securities was refunded and the remaining $7.18 billion was made up with additional amounts of 3- and 10-year notes and 30-year bonds. Room was made for the amounts under the tight debt limit ceiling by refunding less than the maturing amounts of other federal obligations that came due before May 15. This adjustment could be carried out, for example, by using part of the cash balance to redeem $7.18 billion of maturing short-term issues and by using that margin to accommodate the mid-quarter financing.

Explanation of Provision

After considering the matters discussed above as they relate to Federal finances, the committee voted to increase the public debt limit to $1,520 billion, and thereby provide the Secretary of the Treasury with sufficient authority to issue Federal debt obligations

for financing the Federal Government's activities through June 15, 1984.

The committee recognizes that subsequent action will be necessary to increase the public debt limit. A more clear picture of the appropriate limit to cover a longer period of time is expected to emerge as legislative action is completed on pending tax and spending bills.

B. Increased Exception from 4¼ Percent Limit on Interest Rate

Present Law

Obligations of the United States are defined as bonds if they have a maturity when issued that is longer than 10 years. The rate of interest that may be paid on a bond may not exceed 4¼ percent, except that up to $150 billion in outstanding bonds with rates of interest above 4¼ percent may be issued to the public. The exception for a specified amount of bonds—initially $10 billion—was enacted in 1971, and it applied to all bonds with rates above the ceiling. An amendment in 1973 applied the limitation only to bonds held by the public, i.e., holding of Federal agencies and the Federal Reserve Banks were not included.

Reasons for Change

The Treasury Department presently has used about $120 billion of this authority to issue bonds with interest rate above 4¼ percent. The remaining authority is expected to be used up with bond issues through the rest of 1984 and early in 1985.

The Treasury Department usually requests additions to this bond authority when it seeks needed increases in the public debt limit. It has requested an additional $50 billion in authority at this time so that it may plan the amount and timing of bond issues for the next several quarters. In addition, participants in the bond market also would be able to do longer-run planning. The ability to plan sales and purchases of the bonds reasonably far into the future can contribute to a more stable bond market and lower borrowing costs.

The Treasury Department also believes that it must continue to issue bonds to continue a presence in all maturity sectors of the bond market and to resist shortening the average maturity of the public debt. About 44 percent of the privately held marketable debt matures in one year, and the average maturity was 4 years and 4 months at the end of March 1984. The May 15 mid-quarter financing will increase the average maturity further as $16.3 billion of new issues will be substituted for $9.3 billion of maturing securities which are now short-term securities.

Explanation of Provision

The bill increases the exception from the interest rate ceiling by $50 billion, thus raising the level of the exception to $200 billion. The Treasury Department will be able to continue to operate in the long-term bond market through 1985 with its current scheduling for long-term bonds.

C. Authorization of Treasury Department Appropriations

Present Law

For many years, the budget transmitted to Congress by the Administration has contained proposed appropriation language in which funds have been requested for Treasury Department activities and purposes not specifically authorized by law. Many of these items, nevertheless, have been carried in appropriations bills each year.

The rules of the House specifically prohibit the inclusion, in appropriation acts, of funds for unauthorized activities as well as language which is legislative in nature. Some appropriations have been passed by the House with funds for unauthorized activities; others have been deleted by the House but restored to a bill by the Senate; these provisions have been brought back to the House in technical disagreement and have required a separate vote by the House before they could be approved as part of the conference bill. Inclusion of such items in an appropriation bill does not set a precedent for future action, and subsequent appropriations action is still without binding authorization.

Reasons for Change

In the absence of permanent authorizing legislation, appropriations bills that provide funds for these Treasury Department administrative and functional activities will continue to be subject to a point of order on the grounds that they contain substantive legislation. As a result, some of the activities could not be performed, if appropriations bills do not provide the funds necessary.

The Committee acted in response to a request of the Department of the Treasury contained in a letter to the Speaker from Deputy Secretary R. T. McNamara, dated June 17, 1983. The Department's request was, in part, a response to language in the House Report on the Treasury, Postal Service, and General Government Appropriations Bill, 1978 (H. Rept. 95–378) concerning appropriations language in appropriations bills.

Explanation of Provisions

The bill provides 10 separate provisions that authorize appropriation of funds for expenditure on various domestic and international activities relating to the performance of Treasury Department official functions.

(1) Per diem employment

The bill authorizes contracts for expert and consulting services at per diem rates that do not exceed the rate for GS–18. When experts and consultants are hired even for temporary or intermittent

periods, a salary level commensurate with relative private sector earnings is necessary to obtain individuals with the expertise required. Treasury Department appropriations have provided for expenditures for expert and consulting services since fiscal year 1950.

(2) State Department reimbursement

The bill provides authority for the furnishing of health and medical services by the State Department to employees of the Treasury Department and their dependents when serving in foreign countries and not directly assigned to the AID program. This provision is necessary to assure that Treasury Department's employee engaged in long-term overseas assignments and their families receive adequate medical care, since medical services overseas are limited in many areas and often do not meet U.S. standards.

(3) Official functions

Authority is provided for the expenses of official functions and reception and representation activities of the Treasury Department. The amounts that could be spent for these purposes would be limited to amounts specified in appropriations acts. The role of the Treasury Department in economic affairs, taxation, customs, international relations, and law enforcement requires frequent meetings between Treasury officials and domestic and international officials and representatives of foreign governments. Entertainment of foreign visitors is required by diplomatic courtesy. Officials of the several law enforcement bureaus of the Department find it most beneficial to belong to professional law enforcement associations and to conduct certain official business on an informal social basis, both of which require the expenditure of funds for representation purposes. Officials of the Internal Revenue Service provide official entertainment in connection with INTAX Seminars for Middle Management Supervisory Development, and Public Affairs and Taxpayer Education; visiting dignitaries, and the Conference of Inter-American Tax Administrators. Effective U.S. participation in the international financial institutions necessitates expenditures for U.S. receptions at major meetings of the institutions which often are held in Washington.

(4) Uniform maintenance

The bill provides for the maintenance, repair, and cleaning of uniforms furnished to uniformed employees. This provision is necessary since 5 U.S.C. 5901(a) authorizes the appropriation of funds yearly to furnish each uniformed employee a uniform or to pay an allowance for a uniform to each employee, but no provision has been made for the repair, maintenance, and cleaning of the uniforms furnished. Since the uniforms belong to the Treasury Department, it should be the responsibility of the Department, rather than the wearer, to provide for their upkeep. A well-attired uniformed employee makes a favorable impression on the public and the officer's own morale is enhanced. Furthermore, employees of the uniformed division of the Secret Service often appear in high visibility locations, such as the White House, foreign embassies, and at diplomatic functions, where it is necessary that these officers present a neat and uniform appearance.

(5) Federal law enforcement training center

The bill authorizes the Treasury Department to spend funds for athletic and related activities at the Federal Law Enforcement Training Center at Glynco, Georgia. The Federal Law Enforcement Training Center is a resident training activity which is located approximately five miles from the nearest city. The Center needs the authority to provide a reasonable off-duty recreational program. Many of the students trained at the Center reside at the facility for as long as two months and are without public or private means of transportation.

(6) Protective facilities

Authority is provided for the installation, maintenance, and removal of protective facilities on nongovernmental property. Since the Public Buildings Amendment Act of 1972 was enacted, those services have no longer been included in the General Services Administration appropriation. Consequently, Federal agencies must reimburse the General Services Administration for costs incurred. Protective facilities would be removed at the termination of the protective service unless the cost of removal would exceed the salvage value.

(7) Reciprocal law enforcement agreements

The Secretary of the Treasury is authorized to enter into reciprocal agreements with State and local law enforcement agencies and to train employees of those agencies, with or without reimbursement. The agreements are necessary to the enforcement functions of the Secret Service, the Internal Revenue Service, and the Bureau of Alcohol, Tobacco and Firearms. The Secret Service trains State and local government officers in protective procedures so they can assist in the protection of the President, Vice President, or a visiting foreign dignitary, and trains State and local government officials to recognize counterfeit currency. Section 7516 of the Internal Revenue Code already provides the Internal Revenue Service with authority to train and assist State and local government officials. The Bureau of Alcohol, Tobacco and Firearms currently has reciprocal arrangements with certain State and local government police groups to come to their assistance in certain instances. In connection with these arrangements, BATF provides training courses to familiarize these groups with its procedures.

(8) Laboratory assistance

The bill authorizes the Treasury Department to provide laboratory assistance to State and local government law enforcement agencies, with or without reimbursement. This is necessary to allow the Bureau of Alcohol, Tobacco and Firearms to answer requests from those law enforcement agencies for identification or analysis of obliterated serial numbers on firearms, gunshot residue, bomb debris analysis, and voice print identification in the area of bomb threats.

(9) Auto insurance

Authority is provided for the purchase of insurance for official motor vehicles operated in foreign countries. Although the Federal

Government is ordinarily a self-insurer, such a system is not recognized in many foreign countries. Numerous incidents of harassment and near arrests of American officials in several foreign countries resulted in appropriations being provided to the Department for this purpose since fiscal year 1973.

(10) Real and personal property abroad

The bill authorizes the Treasury Department to acquire, manage, maintain, repair, improve, issue, and dispose of real and personal property in foreign countries when necessary for the performance of official business. The Treasury Department leases living quarters and working space abroad in connection with the performance of its various functions. For example, the U.S. Customs Service leases working space for the purpose of preclearance facilities in several foreign countries; and housing is provided for various Treasury Department representatives abroad. The Treasury Department has purchased real property in one instance only—to provide housing for the U.S. Treasury Department representative assigned to Tokyo. It may prove to be in the Federal Government's interests in the future either to rent that property to others or to sell the house, and this section of the bill also provides the Treasury Department with that authority. The Treasury Department also is leasing a car for the use of the U.S. Director to Asian Development Bank in Manila.

The bill also provides authority for the upkeep and insurance of property that the Treasury Department owns or occupies abroad. In many cases, the leases or local law require the purchase of insurance. In other cases, although not required by the lease or by local law, the Treasury Department has determined that it is in the Government's financial interest to acquire that insurance.

III. APPENDIX

TABLE I.—DEBT LIMITATIONS UNDER SEC. 21 OF THE SECOND LIBERTY BOND ACT AS AMENDED—HISTORY OF LEGISLATION

	In billions
Sept. 24, 1917:	
40 Stat. 288, sec. 1, authorized bonds in the amount of	[1] $7.5
40 Stat. 290, sec. 5, authorized certificates of indebtedness outstanding revolving authority	[2] 4.0
Apr. 4, 1918:	
40 Stat. 502, amending sec. 1, increased bond authority to	[1] 12.0
40 Stat. 504, amending sec. 5, increased authority for certificates outstanding to	[3] 8.0
July 9, 1918: 40 Stat. 844, amending sec. 1, increased bond authority to	[2] 20.0
Mar. 3, 1919:	
40 Stat. 13, amending sec. 5, increased authority for certificates outstanding to	[2] 10.0
40 Stat. 1309, new sec. 18 added, authorizing note in the amount of	[1] 7.0
Nov. 23, 1921: 42 Stat. 321, amending sec. 18, increased note authority outstanding (established revolving authority) to	[2] 7.5
June 17, 1929: 46 Stat. 19, amending sec. 5, authorized bills in lieu of certificates of indebtedness; no change in limitation for the outstanding	[2] 10.0
Mar. 30, 1931: 46 Stat. 1506, amending sec. 1, increased bond authority to	[1] 28.0
Jan. 30, 1934: 49 Stat. 343, amending sec. 18, increased authority for notes outstanding to	[1] 10.0
Feb. 4, 1935:	
49 Stat. 20, amending sec. 1, limited bonds outstanding (establishing revolving authority) to	[2] 25.0
49 Stat. 21, new sec. 21 added, consolidating authority for certificates and bills (sec. 5) and authority for notes (sec. 18); same aggregate amount outstanding	[2] 20.0
49 Stat. 21, new sec. 22 added, authorizing U.S. savings bonds within authority of sec. 1.	
May 26, 1938: 52 Stat. 447, amending secs. 1 and 21, consolidating in sec. 21 authority for bonds, certificates of indebtedness, Treasury bills, and notes (outstanding bonds limited to $30,000,000,000). Same aggregate total outstanding	[2] 45.0
July 20, 1939: 53 Stat. 1071, amending sec. 21, removed limitations on bonds without changing total authorized outstanding bonds, certificates of indebtedness, bills and notes	[2] 45.0
July 25, 1940: 54 Stat. 526, amending sec. 31, adding new paragraph: "(b) In addition to the amount authorized by the preceding paragraph of this section, any obligation authorized by secs. 5 and 18 of this Act, as amended, not to exceed in the aggregate $4,000,000,000 outstanding at any one time, less any retirements made from the special funds made available under sec. 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefor. Any such obligations so issued shall be designated 'National Defense Series.'"	[2] 49.0
Feb. 19, 1941: 55 Stat. 7, amending sec. 21, limiting face amount of obligations issued under authority of act outstanding at any one time to	[2] 65.0
Eliminated separated authority for $4,000,000,000 of national defense series obligations	[2] 65.0
Mar. 28, 1942: 56 Stat. 189, amending sec. 21, increased limitation to	[2] 125.0
Apr. 11, 1943: 57 Stat. 63, amending sec. 21, increased limitation to	[2] 210.0

Apr. 3, 1945: 59 Stat. 47, amending sec. 21 to read: "The face amount of obligations issued under authority of this act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate, $300,000,000 outstanding at one time" ..... [2] 300.0

June 26, 1946: 60 Stat. 316, amending sec. 21, adding: "The current redemption value of any obligation issued on a discount basis which is redeemable to maturity at the option of the holder thereof, shall be considered, for the purposes of this section to be the face amount of such obligation," and decreasing limitations to ..... [2] 278.0

Aug. 28, 1954: 68 Stat. 895, amending sec. 21, effective Aug. 28, 1954, and ending June 30, 1955, increasing temporary limitation by $6,000,000,000 to ..... [2] 278.0

June 30, 1955: 69 Stat. 241, amending Aug. 28, 1954, act by extending until June 30, 1956, increase in limitation to ..... [2] 281.0

July 9, 1956: 70 Stat. 519, amending act of Aug. 28, 1954, increasing temporary limitation by $30,000,000,000 for period, beginning July 1, 1955, and ending June 30, 1957 to ..... [2] 278.0

Effective July 1, 1957, temporary increase terminates and limitation reverts, under act of June 26, 1956, to ..... [2] 275.0

Feb. 26, 1958: 72 Stat. 27, amending sec. 21, effective Feb. 26, 1958, and ending June 30, 1969, increasing limitation by $5,000,000,000 ..... [2] 280.0

Sept. 2, 1958: 72 Stat. 1758, amending sec. 21, increasing limitation by $5,000,000,000 ..... [2] 280.0

Sept. 2, 1958: 72 Stat. 1758, amending sec. 21, increasing limitation to $238,000,000,000 which with temporary increase of Feb. 26, 1958, makes limitation ..... [2] 288.0

June 30, 1959: Stat. 156, amending sec. 21, effective June 30, 1959, increasing limitation to $295,000,000,000, which with temporary increase Feb. 26, 1958, makes limitation on June 30, 1959 ..... [2] 290.0

Amending sec. 21, increasing limitation by $10,000,000,000 for period beginning July 1, 1959, and ending June 30, 1960, which makes limitation beginning July 3, 1959 ..... [2] 295.0

July 30, 1960: 74 Stat. 290, amending sec. 21, for period beginning on July 1, 1960, and ending June 30, 1961, temporarily increasing limitation by $8,000,000,000 ..... [2] 293.0

June 30, 1961: 75 Stat. 148, amending sec. 31, for period beginning on July 1, 1961, and ending June 3, 1972, increasing limitation by $13,000,000,000 to ..... [2] 298.0

Mar. 13, 1962: 75 Stat, 23, amending sec. 21 for period beginning on Mar. 13, 1962, and ending June 3, 1962, further increasing limitation by $2,000,000,000 ..... [2] 300.0

July 1, 1962: 76 Stat. 124 as amended by 77 Stat. 50, amending sec. 21, for period—

1. Beginning July 1, 1962, and ending Mar. 31, 1963 ..... [2] 308.0
2. Beginning Apr. 1, 1963, and ending June 24, 1963 ..... [2] 305.0
3. Beginning June 25, 1963, and ending June 30, 1963 ..... [2] 300.0

May 29, 1963: 77 Stat. 50, amending sec. 21, for period—

1. Beginning May 29, 1963, and ending June 30, 1963 ..... [2] 307.0
2. Beginning July 1, 1963, and ending Aug. 31, 1963 ..... [2] 309.0

Aug. 27, 1963: 77 Stat. 131, amending sec. 21, for the period beginning on Sept. 1, 1963, and ending on Nov. 30, 1963 ..... [2] 309.0

Nov. 26, 1963: Stat. 342, amending sec. 21, for the period—

1. Beginning on Dec. 1, 1963, and ending June 29, 1964 ..... [2] 315.0
2. On June 30, 1964 ..... [2] 309.0

June 29, 1964: 78 Stat. 225, amending sec. 21, for the period beginning June 29, 1964, and ending on June 30, 1965, increasing the temporary debt limit to ..... [2] 324.0

June 24, 1965: 79 Stat. 172, amending sec. 21, for the period beginning July 1, 1965, and ending on June 30, 1966, increasing the temporary debt limit to ..... [2] 328.0

June 24, 1966, 80 Stat. 21 amending sec. 21, for the period beginning July 1, 1966, and ending on June 30, 1967, increasing the temporary debt limit to ..... [2] 330.0

Mar. 2, 1967: 81 Stat. 4, amending sec. 21, for the period beginning Mar. 2, 1967, and ending on June 30, 1967, increasing the temporary debt limit to ..... [2] 336.0

June 30, 1967: 81 Stat. 99—

1. Amending sec. 21, effective June 30, 1967, increasing limitation to. [2] 358.0
2. Increasing the temporary debt limit by $7,000,000,000 for the period from July 1 to June 29 of each year, to make the limit for such period ..... [2] 365.0

Apr. 7, 1969: 84 Stat. 7—

1. Amending sec. 21, effective Apr. 7, 1969, increasing debt limitation to ..... [2] 365.0
2. Increasing the temporary debt limit by $12,000,000,000 for the period from Apr. 7, 1969, through June 30, 1970, to make the limit for such period ..... [2] 377.0

June 30, 1970: 84 Stat. 368—

1. Amendment sec. 21, effective July 1, 1970, increasing debt limitation to ..... [2] 380.0
2. Increasing the temporary debt limit by $15,000,000,000 for the period from July 1, 1970, through June 20, 1971, to make the limit for such period ..... [2] 395.0

Mar. 17, 1971: 85 Stat. 5—

1. Amending sec. 21, effective Mar. 17, 1972, increasing debt limitation to ..... [2] 400.0
2. Increasing the temporary debt limit by $30,000,000,000 for the period from Mar. 17, 1971, through June 30, 1972, to make the limit for such period ..... [2] 430.0

Mar. 15, 1972: 86 Stat. 63, increasing the temporary debt limit by an additional $20,000,000,000 for the period from Mar. 15, 1972, through June 30, 1972, to make the limit for such period ..... [2] 450.0

July 1, 1972: 86 Stat. 406, extending the temporary debt limit of $50,000,000,000 for the period from July 1, through Oct. 31, 1972, to make the limit for such period ..... [2] 450.0

Oct. 27, 1972: 86 Stat. 1324, increasing the temporary debt limit by $65,000,000,000 for the period from Nov. 1, 1972, through June 30, 1974, to make the limit for such period ..... [2] 465.0

July 1, 1973: 87 Stat. 134, extending the temporary debt limit of $65,000,000,000 for the period from June 30, 1973, through Nov. 30, 1973, to make the limit for such period ..... [2] 465.0

Dec. 3, 1973: 87 Stat. 691, increasing the temporary debt limit by $75,700,000,000 for the period from Dec. 7, 1973, through June 30, 1974, to make the limit for such period ..... [2] 475.7

June 30, 1974: 88 Stat. 285, increasing the temporary debt limit by $95,000,000,000 for the period from June 3, 1974, through Mar. 31, 1975, to make the limit for such period ..... [2] 495.0

Feb. 19, 1975: 89 Stat. 5, increasing the temporary debt limit by $131,000,000,000 for the period from Feb. 10, 1975, through June 3, 1976, to make the limit for such period ..... [2] 531.0

June 30, 1975: 89 Stat. 246, increasing the temporary debt limit by $177,000,000,000 for the period from June 30, 1975, through Nov. 16, 1975, to make the limit for such period ..... [2] 577.0

Nov. 14, 1975: 89 Stat. 693, increasing the temporary debt limit by $195,000,000,000 for the period from Nov. 14, 1975, through Mar. 15, 1975, to make the limit for such period ..... [2] 595.0

Mar. 15, 1976: 90 Stat. 217, increasing the temporary debt limit by $227,000,000,000 for the period from Mar. 15, 1976, through June 30, 1976, to make the limit for such period ..... [2] 627.0

June 30, 1976: 90 Stat. 793—

1. Increasing the temporary debt limit by $236,000,000,000 for the period from July 1, 1976, through Sept. 30, 1976, to make the limit for such period ..... [2] 636.0
2. Increasing the temporary debt limit by $282,000,000,000 for the period from Oct. 1, 1976, through Mar. 3, 1977, to make the limit for such period ..... [2] 682.0
3. Increasing the temporary debt limit by $300,000,000,000 for the period from Apr. 2, 1977, through Sept. 30, 1977, to make the limit for such period ..... [2] 700.0

Oct. 4, 1977: 91 Stat. 1090, increasing the temporary debt limit by $352,000,000,000 for the period from the date of enactment through Mar. 31, 1978, to make the limit for such period	[2] 752.0
Mar. 27, 1978: 92 Stat. 185, extending the temporary debt limit of $352,000,000,000 from the date of enactment through July 31, 1978, to make the limit for such period	[2] 752.0
Aug. 3, 1978: 92 Stat. 419, increasing the temporary debt limit by $398,000,000,000 from the date of enactment through March 31, 1979, to make the limit for such period	[2] 798.0
Apr. 2, 1979: 93 Stat. 8, increasing the temporary debt limit by $430,000,000,000 from the date of enactment through September 30, 1979, to make the limit for such period	[2] 830.0
Sept. 29, 1979: 93 Stat. 589, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through May 31, 1980, to make the limit for such period	[2] 879.0
May 30, 1980: 94 Stat. 421, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through June 5, 1980, to make the limit for such period	[2] 879.0
June 6, 1980: 94 Stat. 439, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through June 30, 1980, to make the limit for such period	[2] 879.0
June 28, 1980: 94 Stat. 598, increasing the temporary debt limit by $525,000,000,000 from the date of enactment through February 28, 1981, to make the limit for such period	[2] 925.0
December 19, 1980: 94 Stat. 3261, increasing the temporary debt limit by $535,100,000,000 from the date of enactment through September 30, 1981, to make the limit for such period	[2] 935.1
February 7, 1981: 95 Stat. 4, increasing the temporary debt limit by $585,000,000,000 from the date of enactment through September 30, 1981, to make the limit for such period	[2] 985.0
September 30, 1981: 95 Stat. 955, increasing the temporary debt limit by $599,800,000,000 from the date of enactment through September 30, 1981, to make the limit for such period	[2] 999.8
September 30, 1981: 95 Stat. 956, increasing the temporary debt limit by $679,800,000,000 from the date of enactment through September 30, 1982, to make the limit for such period	[2] 1,079.8
June 28, 1982: 96 Stat. 130, increasing the temporary public debt limit by $743,100,000,000 from the date of enactment through September 30, 1982, to make the limit for such period	[2] 1,143.1
September 30, 1982: 96 Stat. 270, increasing the temporary public debt limit by $890,200,000,000 during the period beginning on October 1, 1982 and ending on September 30, 1983, to make the limit for such period	[2] 1,290.2
May 26, 1983: 97 Stat. 196, increasing the permanent public debt limit by $989,000,000,000 from the date of enactment to make the public debt limit	[2] 1,389.0
November 21, 1983: 97 Stat. 1012, increasing the permanent public debt limit by $101,000,000,000 from the date of enactment to make the public debt limit	[2] 1,490.0

[1] Limitation on issue.
[2] Limitation on outstanding.

TABLE II.—OUTSTANDING PUBLIC DEBT SUBJECT TO LIMITATION AT END OF FISCAL YEARS 1916–82, AND ON MAY 11, 1984

Fiscal year:	*Millions*	Fiscal year:	*Millions*
1916	$1,225	1951	$253,283
1917	2,976	1952	257,233
1918	12,455	1953	647,220
1919	25,485	1954	269,379
1920	24,299	1955	272,348
1921	23,977	1956	270,619
1922	22,963	1957	269,120
1923	22,350	1958	275,395
1924	21,251	1959	282,419
1925	20,516	1960	283,827
1926	19,643	1961	286,308
1927	18,512	1962	296,374
1928	17,604	1963	302,923
1929	16,931	1964	308,583
1930	16,185	1965	314,126
1931	16,801	1966	316,293
1932	19,487	1967	323,143
1933	22,539	1968	[1] 348,534
1934	27,053	1969	[1] 356,107
1935	28,701	1970	[1] 372,600
1936	33,779	1971	[1] 398,650
1937	36,425	1972	[1] 427,751
1938	36,882	1973	[1] 458,264
1939	40,371	1974	[1] 475,181
1940	43,219	1975	[1] 534,207
1941	49,494	1976	[1] 620,556
1942	74,154	Transition quarter	[1] 635,822
1943	140,469	1977	[1] 699,963
1944	208,077	1978	[1] 772,691
1945	268,671	1979	[1] 827,614
1946	268,932	1980	[1] 908,723
1947	255,767	1981	[1] 998,818
1948	240,381	1982	[1] 1,142,913
1949	250,965	1983	[1] 1,377,953
1950	255,382	1984	[1] [2] 1,481,304

[1] Includes FNMA participation certificates issued in fiscal year 1968 in debt of fiscal years 1968–83.
[2] Debt at close of business, May 11, 1984.

Source: Annual Report of the Secretary of the Treasury for fiscal year 1923, table 34, p. 554, for 1916–17; Annual Report for fiscal year 1962, table 507, for 1983 and 1939; Annual Report for fiscal year 1976 Statistical Appendix, table 21, p. 67, for 1940–76; Treasury Bulletin, November 1982, table FD–8, p. 24 for 1977 through 1982, monthly Statement of the Public Debt, September 30, 1983, and Daily Treasury Statement, May 11, 1984.

IV. COSTS OF CARRYING OUT THE BILL AND VOTE OF THE COMMITTEE IN REPORTING THE BILL

Budget Effects

In compliance with clause 7 of Rule XIII of the Rules of the House of Representatives, the following statement is made relative to the effect on the revenues of H.R. 5665, as reported.

The committee does not believe that the changes made by this bill in the debt limit will result in any costs, either in the current fiscal year or in any of the 5 fiscal years following that year. The changes in debt management authority also should not raise costs and, in the long run, may reduce debt management costs. The new authorization provisions should not increase outlays because appropriations have been made for these purposes in prior fiscal years.

The Treasury Department agrees with this statement.

Committee Vote

In compliance with clause 2(1)(2)(B) of Rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote by the committee on the motion to report the bill. The bill was ordered favorably reported by a voice vote.

V. OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clauses 2(1)(3) and 2(1)(4) of Rule XI of the Rules of the House of Representatives, the following statements are made with respect to committee's action on H.R. 5665, as reported.

Oversight Findings

With regard to subdivision (A) of clause (2)(3), the committee advises that its hearings led to the conclusion that an increase in the public debt limit is required at the present time because the statutory temporary limitation in present law will be insufficient after May 24, 1984, to refund outstanding debt as it matures and to make payments for authorized government operations from the general fund in the Treasury Department. The change in the amount of bond authority is needed to allow the Treasury Department to continue a position in the long-term bond market. The committee held a public hearing on May 16, 1984, relating to the Administration's proposed increase in the public debt limit and the amount of bonds that may be issued under the exception to the interest limitation. The hearing also included the request for statutory authorization to continue the spending for administrative purposes.

New Budget Authority and Tax Expenditures

In compliance with subdivision (B) of clause 2(1)(3), the committee states that the changes made by the bill provide no new budget authority and no new increased tax expenditures.

Consul'ation with Congressional Budget Office on Budget Estimates

With respect to subdivision (C) of clause 2(1)(3), the committee advises that the estimate prepared by the Director of the Congressional Budget Office relative to the provisions of H.R. 5665 follows.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 16, 1984.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed the spending provisions of H.R. 5665, a bill to increase the public debt limit, as ordered reported by the House Committee on Ways and Means, May 16, 1984.

The spending provisions of the bill authorize various administrative activities for the Department of the Treasury. Based on information from the Department of the Treasury and on CBO baseline

projections, estimated spending for these activities would be about $15 million in fiscal year 1985, $16 million in 1986, $17 million in 1987, $17 million in 1988, and $18 million in 1989.

Enactment of this legislation would not significantly affect the budgets of state and local governments.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER.

Oversight by Committee on Government Relations

With respect to subdivision (D) of clause 2(1)(3), the committee advises that no oversight findings or recommendations have been submitted to the committee by the Committee on Government Operations regarding the subject matter of the committee bill.

Inflationary Impact

In compliance with clause 2(1)(4) of Rule XI, the committee states that the debt limitation and debt management changes and the authorization of administrative expenses are not expected to have an inflationary impact on prices and costs in the operation of the national economy.

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 31, UNITED STATES CODE

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SUBTITLE I—GENERAL

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CHAPTER 3—DEPARTMENT OF THE TREASURY

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SUBCHAPTER II—ADMINISTRATIVE

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§ 332. Miscellaneous administrative authority

The Secretary of the Treasury may to the extent provided in advance by appropriation Acts—

(1) contract for the temporary or intermittent services of experts or consultants as authorized by section 3109 of title 5, United States Code, at rates not to exceed the per diem equivalent to the rate for GS–18;

(2) contract with and reimburse the Department of State for health and medical services for employees of the Department of the Treasury and their dependents serving in foreign countries;

(3) provide for official functions, and reception and representation activities, the expenses for which shall not exceed amounts included therefor in appropriation Acts;

(4) maintain, repair, and clean uniforms furnished by the Department of the Treasury to uniformed employees;

(5) provide athletic and related activities for students at the Federal Law Enforcement Training Center, Glynco, Georgia;

(6) install and maintain fencing, lighting, guard booths, and other facilities as necessary for the performance of protective functions of the Department of the Treasury on property not owned or under jurisdiction and control of the United States Government and, subsequently, to remove the facilities therefrom;

(7) enter into reciprocal assistance agreements with State and local law enforcement agencies and, in connection with the agreements and otherwise, train employees of those agenices, when necessary, with or without reimbursement;

(8) provide laboratory assistance to State and local law enforcement agencies, with or without reimbursement;

(9) obtain insurance for official motor vehicles operated in foreign countries; and

(10)(A) when necessary for the performance of official business—

(i) acquire in foreign countries real property by lease for periods not greater than 10 years and personal property for use in foreign countries by purchase, lease, or otherwise, and

(ii) manage, maintain, repair, improve, and insure by purchase of commercial insurance policies properties referred to in clause (i), and

(B) when appropriate, dispose of (by sale, rent, transfer, or otherwise) properties referred to in subparagraph (A)(i).

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SUBTITLE III—FINANCIAL MANAGEMENT

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CHAPTER 31—PUBLIC DEBT

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SUBCHAPTER I—BORROWING AUTHORITY

§ 3101. Public debt limit

(a) * * *

(b) The face amount of obligations issued under this chapter and the face amount of obligations whose principal and interest are grauanteed by the United States Government (except guaranteed obligations held by the Secretary of the Treasury) may not be more than $1,389,000,000,000, or $1,490,000,000,000 [1] on and after October 1, 1983, outstanding at one time, subject to changes periodically made in that amount as provided by law through the congressional budget process described in Rule XLIX of the Rules of the House of Representatives or otherwise.

* * * * * * *

§ 3102. Bonds

(a) With the approval of the President, the Secretary of the Treasury may borrow on the credit of the United States Government amounts necessary for expenditures authorized by law and may issue bonds of the Government for the amounts borrowed and may buy, redeemm and make refunds under section 311 of this

[1] The bill as reported provides for a temporary increase of $30,000,000,000 in this debt ceiling for a period beginning on the date of enactment of the bill and ending on June 15, 1984.

title. The Secretary may issue bonds authorized by this section to the public and to Government accounts at any annual interest rate and prescribe conditions under section 3121 of this title. However, the face amount of bonds issued under this section and held by the public with interest rates of more than 4.25 percent a year may not be more than [$150,000,000,000.] *$200,000,000,000.*

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